

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

FOR THE MONTH OF: **SEPTEMBER** **2008**

MANAGER PERFORMANCE CALCULATIONS

* Annualized returns

	Last Month	Last 3 Months	Last 1 Year	Last 3 Years*	Last 5 Years*
Genesis	-16.79%	-21.62%	-25.41%	9.26%	20.98%
MSCI EM	-17.49%	-26.86%	-33.01%	8.69%	19.05%

COUNTRY ALLOCATION COMPARISON

<u>Over-weight</u>	<u>Genesis</u>	<u>EM</u>	<u>Under-weight</u>	<u>Genesis</u>	<u>EM</u>
South Africa	13.51%	7.49%	Brazil	6.00%	15.14%
Indonesia	6.13%	1.64%	China	8.39%	14.43%
Turkey	5.16%	1.82%	Taiwan	5.65%	10.35%

PERFORMANCE ATTRIBUTION & STRATEGY COMMENTS

The portfolio outperformed the MSCI EM index by 0.7% in September. In such a weak month positive contributors were scarce and only a handful of smaller portfolio holdings made absolute gains, notably Airasia (Malaysia) and Mineral Deposits (Senegal). Unfortunately the real action was on the negative side where Anglo American and Sasol (both South Africa) posted significant losses, closely followed by First Quantum Minerals (Zambia), Infosys (India) and VTB (Russia). In relative performance terms the portfolio added most value in the weak Brazilian market through good stock performance and the underweight position. The same recipe led to further gains in Taiwan, while a number of positions in India and Indonesia also did well. Notable losses were incurred in South Africa, as the two largest holdings there disappointed, and the underweight position in the relatively strong South Korean market hurt the portfolio. Among sectors the portfolio made gains from holdings in Consumer Staples and Financials but these were almost negated by losses in Telecoms and Materials. Over the the last 3 months, the portfolio outperformed the index by 5.2%. Within the portfolio, two of the largest contributors were banks; Standard Bank (South Africa) and Yapi Kredi (Turkey), with the latter gaining almost 35%. On the negative side Anglo American lost half of its value and its South African counterpart, Sasol, lost 30%. In addition two Russian positions, Lukoil and VTB Bank, lost in excess of 40%. Relative to the benchmark the portfolio made large gains from stock performance and the underweight position in Brazil. Elsewhere outperformance from a number of stocks in Indonesia, Russia and Turkey added value. However, stand-out losses were incurred in South Africa due to the two stocks mentioned above. In sector terms minor losses were sustained in just one sector, Consumer Discretionary, while strong gains were achieved in Consumer Staples, Financials and Energy.

MANAGER STYLE SUMMARY

Genesis utilizes a "bottom-up" investment approach, whereby security selection is primarily based on individual stocks rather than country or regional prospects. An unusual aspect of their style is that they will limit the countries within their selection set to the World Bank list of emerging markets (based on per capita GDP), rather than the standard emerging markets indices. Thus, some of the countries within the emerging markets indices (i.e. Israel), are not a major focus of Genesis. Their unique style tends to keep Genesis out of fast-growing countries included in the emerging markets indices or country or regional successes rather than individual companies (i.e. Asia). Consequently, they can have periods of underperformance when these types of countries perform well.

GENESIS ASSET MANAGERS LIMITED
EMERGING MARKETS EQUITY: MSCI EM BENCHMARK

PORTFOLIO GUIDELINE COMPLIANCE

SEPTEMBER 2008

Portfolio Guideline:	Genesis	Compliance
B2. Country allocations <=15% of value at cost		ok
B3. EAFE securities <=10% of value at cost		ok
B4. Security position <=4% of the account at purchase		ok
B5. Number of Issues > 75	100	ok
C1. Currency or cross-currency position <= value of hedged securities		ok
No executed forward w/o corresponding securities position		ok
C2. Maximum forward with counterpart <= 30% of total mv of account		ok
F2. Annual Turnover <= 100%	38%	ok
The portfolio is in compliance with all other aspects of the Portfolio Guidelines	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

MANAGER EXPLANATIONS FOR DEVIATIONS FROM PORTFOLIO GUIDELINES

There were no deviations.

ORGANIZATIONAL/PERSONNEL CHANGES

Two additions to the investment team at Genesis. Bongani Miya has been confirmed as a Research Assistant – a new role at Genesis. Secondly, Arindam Bhattacharjee will be joining Genesis at the beginning of October. Arindam was previously a partner at Emerging Markets Management, LLC in Washington, DC where he worked for twelve years and he has more than fifteen years cumulative experience in researching companies and countries within the emerging markets.

ACCOUNT TURNOVER

Gained:	Number of Accounts:	0	Total Market Value (\$m):	\$	-
Lost:	Number of Accounts:	1	Total Market Value (\$m):	\$	57.2
	Reason(s):	N/A			